

Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

OCTOBER 26, 1964



KEY TO LATIN AMERICAN
ECONOMIC GROWTH

THE PAN-AMERICAN HIGHWAY
—AID TO AGRICULTURE

THE WORLD DAIRY SITUATION

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

A WEEKLY MAGAZINE OF THE UNITED STATES DEPARTMENT OF AGRICULTURE
FOREIGN AGRICULTURAL SERVICE

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

OCTOBER 26, 1964

VOL II • NUMBER 43



Our cover this week shows the Pan-American Highway as it links the countries of Latin America. What this means to agriculture is told pictorially on pages 8-9.

Contents

- 3 Agriculture—Key to Latin American Economic Growth
- 5 What Became of the World Dairy Surplus?
- 7 Spain's Citrus Exports Stand at Alltime High
- 8 What the Pan American Highway Means to Agriculture
- 10 Market Development
 - London Trade Center's 1965 U.S. Food Exhibit To Promote U.S. Fruit and Vegetable Products
 - Salesmanship and Servicing Win Export Award for Aggressive, Growing U.S. Poultry Company
 - Japanese Wheat Team Welcomed by U.S. Secretary Murphy
- 12 World Crops and Markets (Commodity index on page 16)

Orville L. Freeman, Secretary of Agriculture

Dorothy H. Jacobson, Assistant Secretary for International Affairs

Raymond A. Ioanes, Administrator, Foreign Agricultural Service

Editor: Alice Fray Nelson Associate Editor: Ruth A. Oviatt

Advisory Board:

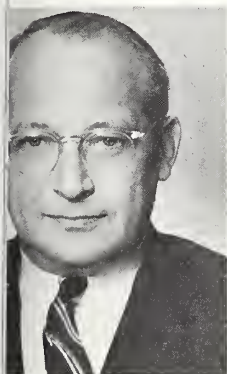
W. A. Minor, Chairman; Wilhelm Anderson, Burton A. Baker, Douglas M. Crawford, John H. Dean, F. Leslie Erhardt, David L. Hume, Robert O. Link, Kenneth W. Olson, Donald M. Rubel.

This magazine is published as a public service, and its content may be reprinted freely.

Foreign Agriculture is published weekly by the Foreign Agricultural Service, United States Department of Agriculture, Washington, D. C. 20250. Use of funds for printing this publication has been approved by the Director of the Bureau of the Budget (December 22, 1962). Yearly subscription rate is \$7.00, domestic, \$9.25 foreign; single copies are 20 cents. Orders should be sent to the Superintendent of Documents, Government Printing Office, Washington, D. C. 20401.

Walt W. Rostow, *U.S. Member, Inter-American Committee on the Alliance for Progress*, in a recent speech at the University of Brasilia, saw agriculture as vital to Latin American development over the next decade. His remarks are summed up here.

Agriculture—Key to Latin American Economic Growth



Walt W. Rostow

The economic growth of Latin America has been uneven. Cities have moved forward with the development of import-substitution industries—industries supplying goods formerly imported for the United States and Western Europe. Meanwhile, agriculture has been neglected. So what we have in Latin America today is almost two worlds: the cities, handsome in many ways but crowded with people who have only part-time jobs or no jobs at all, and outside the cities, the countryside, characterized by an enormous unused agricultural capacity.

Both cities and countryside have a role to play in the economic growth of Latin America—but agriculture in particular must come to the center of the stage in the next decade. I say this not merely for reasons of social equity—important as they are—but also because a strengthened agriculture is the key to the further development of industry and overall national economy.

Why a strong agriculture is essential

Let's look more closely at the role of agriculture.

First, agriculture is a source of food for the cities, permitting a nation to avoid gross dependence on external food and, in the long run, wasting foreign exchange to buy it. Agricultural production in Latin America is not keeping up with the rate of population or urbanization increase. Consequently, there is a tendency for certain of the more advanced countries to become dependent upon grants or long-term loans of food from the United States. It obviously is unsound for Latin America, with all its unused agricultural capacity, to become regularly and increasingly dependent on imports for its food supply.

Second, agriculture is needed as a potential source of industrial raw materials for industry. In this category are cotton, wool, tobacco, timber, and many other products.

Third, agriculture is needed as a supplementary source of exports. Many Latin American countries have built their export capacity on a few main agricultural crops—coffee, meat, bananas, and so on—just as the United States built a good part of its development around cotton and wheat. These exports should be continued, but there are also many opportunities for export expansion if the full potentialities of diversification are taken into account in framing agricultural policy. In Mexico, for example, diversification has

permitted a wide range of agricultural exports which have strongly reinforced the capacity of that country to earn foreign exchange.

Finally, agriculture is needed because farm people must constitute a major market for industrial goods. The future of Latin American industry in the next decade must be geared increasingly to the rural market, both to supply what we economists call inputs—for example, chemical fertilizer, hand tools, and farm equipment of all sorts—and to supply the rural population at decent prices with the consumer's goods they would buy if prices were lower and their incomes higher—the goods they would work harder to get. I am thinking of textiles, shoes, transistor radios, and household equipment, including sewing machines and bicycles.

In connection with agriculture as a market, I said one day to a group of Venezuelan businessmen who had put forward a manifesto in support of government programs—education, housing, and health—that it was important that they support the government in these efforts, but that their major role in society would not be fulfilled until they ceased looking at the poor folk, especially the rural poor folk, as a social problem and began looking at them as potential customers—until they began to think in terms of low mark-ups and mass-production marketing instead of in limited markets and big-unit profits.

Farmer part of a creative system

Now how can we put into effect an agricultural policy that makes sense, that makes effective use of great idle capacity?

As we look at successful agricultural development in Latin America and other developing areas, we see that the key to success lies in viewing agriculture not as a simple production problem but as a problem in what we call in American industry "systems analysis." This means bringing together all the elements of the problem—human, technical assistance, scientific, credit, marketing, and incentive elements—so that the farmer sees himself as part of a creative system that makes it attractive and possible for him to shift to higher productivity. We must begin to look at agriculture in somewhat the same way that we look at industry, where we know the industrial problem is not merely production, but a problem involving personnel, finance, marketing, and organization in its widest sense.

Restructuring of agriculture does not mean, of course, the establishment of collective agriculture. Collective agriculture is very inefficient yet we do have to put the farmer in a setting in which he can increase production and market his crops successfully.

We must supply the farmer with technical assistance on a large scale. We must provide credit, chemical fertilizers,

implements, a reliable market in which he can sell at decent prices. We must make it possible for the farmer to obtain incentive goods—the kind of goods he will work harder to get and that his wife would want him to work harder to get. I'm thinking of textiles, household equipment, and other things which, after all, are the things which would make greater effort worthwhile for the whole family.

The farmer certainly needs credit to make the transition from an older, lower productivity system of agriculture to a higher productivity system. Credit should be a basic part of the new framework in which the farmer finds himself.

What the farmer needs

The farmer needs more chemical fertilizer. Chemical fertilizer is the most powerful tool modern industry has yet developed to help farmers step up their production. We need a massive increase in the output of chemical fertilizers in Latin America and a program to see that they are brought into play in agriculture. I think that with some imagination we could work out a large-scale program using untapped Latin American raw materials in the form of natural gas to get a rapid expansion of fertilizer production. We could use those materials not merely for the benefit of the countries which contain them, but for all Latin America.

The farmer needs to be able to count on a market for his produce—a market which will return him a fair price. One of the greatest discouragements in some Latin American countries is a marketing system for certain commodities which calls for five or six middlemen to move the crop to the city. These middlemen control credit, and if the farmer works with them he finds himself getting a very small return and going increasingly into debt. He can hardly be blamed, under such discouraging circumstances, for feeling that he might just as well go on producing corn and beans and living on a mainly self-sufficiency basis.

Food must be gotten to market

One of the more sobering facts I know about Latin America is the estimate of the Food and Agriculture Organization that 30 percent of agricultural production is wasted, especially in the field of perishables. Part of it never gets to market; part of it is wasted because of the inefficiency of the markets. This waste of production contributes to the serious inflation which is damaging the development process.

More food and fiber is needed in the cities, not less, if costs of living are to be reduced. Definite planning is required to accomplish this. One might envisage groups going to work in Latin American countries on each of the major commodities that form the cost-of-living index—corn, beans, meat, milk, cotton textiles, and others.

The first job would be to try, perhaps over a 6-month period, to see what could be done to get the food that exists in various parts of the country effectively into the markets. One might envisage groups in the public and private sector focusing on commodity by commodity and making sure that what is in the country within the framework of the existing harvest is gotten to the market. While this was going forward, the battle would begin around the same commodity to maximize its output in the next harvest. Supplies of chemical fertilizers might be expanded to raise output of certain commodities particularly needed, and more credit might be made available to encourage pro-

duction of the needed commodities in the next growing season.

It would also be fair to ask the United States and other countries interested in aiding the Latin American nations concerned to be very forthcoming with supplies of their surplus foods.

Slowing down farm migration

The relationship between the world of the cities and the world of agriculture in Latin America is close. Industrial development in the cities has not been sufficient to absorb the flow of men and women who come from the country. Consequently, all through Latin America we see the phenomenon, around the center of the cities, of slums made up of people who have sensed that it was in the cities that there was vitality, a future, education, and public health. They have sensed the neglect of agriculture. So they have come to the cities. But in the cities where many have not been able to find full-time jobs, they have worked in semi-employment—and lived in the slums.

The restructuring of agriculture could well slow the flow of workers from country to cities, to the benefit of both country and cities. A stronger agriculture could benefit the cities by providing the food and fiber needed to help lower costs of living for city people. A stronger agriculture could provide purchasing power for the goods turned out by city factories—which not only would mean a higher standard of living for rural people but also a bigger market for the city people.

Some progress is being made, as “success stories” attest. In the field of milk production they are centered around pasteurization plants, which offer technical assistance, efficient marketing, and fair prices. As a result, the farmers have switched over to milk products both to their advantage and the advantage of the country generally. Soup factories have sprung up. In Brazil, technical assistance plus credit in marketing tobacco has been successful.

Thus it has been demonstrated that it is possible to make a switchover from old to new—to do it on a basis that earns a legitimate private profit and which greatly benefits both the farmer and the community. The point is, however, that such modern agricultural methods, though numerous, form a very small proportion of the total organization of Latin American agriculture. The job is to extend these techniques which have already proved themselves on a small scale. To do this, all of the urban organizations, public and private, must work together.

A modern society loyal to tradition

If I were to describe in noneconomic terms what the grand strategy for the next stage to development in Latin America would be, I would use the phrase “national integration” and then I would say “regional integration.” Because the impulse to national integration in Latin America is matched, and should be matched, by the impulse of the nations themselves to come closer together.

We must bring to all the people a sense that they are engaged in modernizing their society in ways which will not only provide higher levels of living, but which will provide increasing social justice and a share for all the people in the fruits of modernization. The people must believe that this effort is justified because it will give the area a form of modern society which is loyal to Latin American traditions, hopes, and aspirations. That really is what development is all about.

What Became of the World Dairy Surplus?

World dairy production has—for the time being—been outpaced by demand, as the number of people has grown and their ability to buy dairy products has risen.

By A. G. MATHIS
Economic and Statistical Analysis Division
Economic Research Service



Packing butter in New Zealand for export

The world dairy situation of 1964 contrasts strikingly with that of the years since the mid-1950's. Supplies of dairy products, long in surplus, are now growing scarce; and by the end of 1964, excess stocks will have practically vanished.

This change in the supply situation began to make itself felt in 1963. Before then, world milk production had been increasing over a number of years. By the mid-1950's, world stocks of butter had become burdensome, and in the United States nonfat dry milk stocks were high. The major nations exporting dairy products—New Zealand, Australia, Denmark, the Netherlands, and the United States—all sought ways to expand foreign outlets.

Yet, surprisingly, by the end of 1963 these burdensome supplies were disappearing. Clear indicators of the change were the increasing movement of U.S. dairy products into commercial outlets and the rising prices of butter and nonfat dry milk in foreign markets.

The road from surplus to shortage

Several circumstances have worked together to create this world scarcity of dairy products. First of all, farm prices had been lowered during 1963 in some of the more important dairy exporting countries in Europe. This action followed the imposition of quotas on butter entering the United Kingdom—the biggest deficit dairy market in the world. These quotas limited the amounts of butter that could enter from exporting countries; and, with the shrinkage of this principal market, prices had to be dropped to bring supplies in line with the smaller U.K. demand.

At the same time, 1963's drought and severe winter weather reduced feed supplies and roughage, particularly in Eastern European countries, causing farmers to cull their herds severely. Thus, the lower farm prices for milk, combined with the bad weather conditions and with high prices for slaughter cattle, contributed to a reduction in European dairy cattle numbers. In the United States, unfavorable weather brought dairy production below expected

high levels from 1962 to 1964. In Canada, the butter subsidy program increased consumption and reduced the exportable surplus.

However, the changed complexion of the world dairy situation can, perhaps, be attributed more to increased world demand than to lower world milk production. In fact, total milk output in the chief producing countries, even in the difficult year of 1963, was higher than the 1965-60 average. But total demand for dairy products has been rising faster than production.

More mouths to be fed

The first reason for increased demand is the rapid rise of world population. Around 150,000 persons are added each day. In Western Europe, the estimated rate of increase is lower than in the United States—an average of less than 1 percent since 1960 compared with ours of approximately 1½ percent. Nevertheless, almost 20 million more mouths had to be fed in Western Europe in 1963 than in 1960. This area, together with North America, New Zealand, and Australia, includes most of the countries that are heavy producers and consumers of dairy products. Eastern Europe (including the USSR and its satellites), the other major dairy producing and consuming area, has been gaining population at an average of about 1.5 percent annually, while production between 1960 and 1963 was rising at an average annual rate of 0.8 percent.

Population in other major land areas—Africa, Asia, and Latin America—is rising even more rapidly. Estimated average yearly rates for 1960 to 1970 are 2.2 percent in Asia, 1.8 percent in Africa, and 2.6 percent in Latin America. These high rates of population increase have prevented gains in per capita production of dairy items. In Latin America, increases in output may have about

maintained per capita production at 1930-34 levels—around 170 pounds; but in Africa and Asia, the level per capita has been falling.

A second major reason for the heavier demand is increased use resulting from growing prosperity. In the decade from 1950 to 1960, per capita personal income (adjusted for changes in consumer prices) rose dramatically in various West European countries: about 12 to 15 percent in Norway and Sweden; 20 to 30 percent in the United Kingdom, Denmark, and several of the smaller nations; around 50 percent in Italy, France, the Netherlands, Turkey, and Greece; and between 70 and 100 percent in Finland, Ireland, Switzerland, Portugal, West Germany, and Austria. These figures represent rises in real income—in the amount of goods that can be purchased with a unit of money. In Japan, also, real income doubled. As a yardstick, during the same period per capita disposable income rose 15 percent in the United States and 22 percent in Canada.

More money to spend for dairy products

Between 1960 and 1963, real per capita personal income continued to rise—roughly, from 10 to 30 percent in most West European countries except the United Kingdom, where there was no change. In Japan, income rose about 22 percent.

Underestimation of the effect that income has on consumption may have been an important reason why the butter quota in the United Kingdom was set low and, consequently, why the European exporting countries reduced their farm prices for milk. This restraint on production has been a major cause of the present tight supply of milk products.

In general, rising incomes are accompanied by a shift from high caloric foods like grains to animal protein foods like meat, milk, and fish. This is especially true for developing countries and for those where relatively low income holds down consumption of animal protein. In the United States a rise of 10 percent in income generally means a rise of about 1½ percent in consumption of milk in all dairy products. For a half-dozen advanced European countries, evidence is that the response at around present income levels is slightly greater than that of the United States. One estimate for Japan suggests that its demand for dairy products will rise 30 percent with each 10-percent increase in real income. A much lower response to income is probable in India and similar food-deficit countries at present because emphasis still is likely to be on increasing intake of calories rather than protein.

More consumption by exporting countries

While personal income was growing from 1960 to 1963 in 13 West European countries, including about three-fourths of the population of West Europe, per capita use of milk in all forms was turning upward. In 1963, the increase over 1960 was probably between 1 and 2 percent. Even without population increase, this gain in per capita consumption would push total use of milk in all products about 3 billion pounds above the 1960 total. Coupled with the gain in population, it means that total consumption in 1963 was about 10 billion pounds of milk equivalent more than in 1960.

Increased consumption has reduced the amount of milk products available for export. Net exports (exports minus imports) for West Europe were about 4.9 billion pounds

milk equivalent in 1963, compared with 6.5 billion pounds in 1960.

In the United States, rising population is causing total milk consumption to increase ½ to 1 billion pounds yearly, in spite of a slow decline in per capita consumption. In Canada use of milk was up in both 1962 and 1963, owing largely to the country's subsidy on butter consumption and its continuing prosperity. In New Zealand and Australia, consumption is rising about 1 to 2 percent annually. However, these "New World" countries tend to increase production as fast as total consumption, or faster. All of these countries are major net exporters of dairy products.

Eastern European countries—USSR, Yugoslavia, Rumania, Poland, Hungary, East Germany, Czechoslovakia, and Bulgaria—increased production very sharply from 1960 to 1962. In 1963, adverse weather reduced output from the peak of a year earlier. These countries, however, are only a small factor in world dairy products trade. Practically all they produce, plus some imports of butter, cheese, and dry whole milk, is consumed within the Bloc.

In Asia, Africa, and Latin America, except for small exports of butter, cheese, and casein, milk is used in the country where produced and supplemented heavily with imports. Even so, the average amount of milk available per person is low, and consumption levels for all milk products are estimated to average only a fraction of those in North America and Western Europe.

More effort to expand world markets

A third reason for the tight world supply of dairy products is the success of major exporting countries—especially New Zealand, Australia, and the Netherlands—in widening world markets. During the years 1960-62, when supplies of dairy products grew rapidly, these countries made vigorous efforts to move excess supplies into food-deficit areas. They developed programs to increase exports by such means as export payments, promotional programs, and donations for welfare distribution and school lunch programs through UNICEF and the Agency for International Development. These measures increased the amount of dairy products available in a number of nations where diets were deficient, where lack of foreign exchange made it difficult to procure milk, and where low incomes held down consumption. They have also contributed to the eventual development of effective commercial demand.

World trade in the near future

For the United States, these programs were primarily responsible for the increase in total exports from 625 million pounds of milk equivalent and about 450 million of nonfat dry milk in 1960 to over 4,940 million of milk equivalent and 1,030 million of nonfat dry milk in 1963. In 1964, U.S. exports may be near 6.5 billion pounds of milk equivalent and 1.2 billion of nonfat dry milk. However, these record export rates have been made possible in large part by the reduction of heavy inventories, and lower exports may be expected in 1965.

Excess stocks in the rest of the world have been utilized. For the immediate future—the next 2 years or so—it is probable that world production will not recover sufficiently to supply all of the milk products desired for the developing markets. Since in large part these markets are outside the commercial part of world trade, their desires and needs cannot be expressed adequately enough in price to hasten the growth of milk production.

Spain's Citrus Exports Stand at Alltime High

Spain—chief supplier of citrus to markets in the European Economic Community (EEC)—has just had a record year in citrus exports. By early July, shipments, exclusive of lemons, had been established at 1.3 million metric tons, compared with a previous high of 1.2 million only 2 years ago. Furthermore, the outlook for next year's exports is also promising, as the crop to be marketed is almost as large as the record one of 1963-64.

Although Spanish and U.S. citrus industries share the same overseas markets, there is a pronounced difference in relative importance of foreign sales. U.S. citrus goes mainly to domestic markets, Spain's, to export. For the 1961 and 1962 average, the United States produced above 30 percent of the world's oranges and exported 4 percent of its production; Spain produced 13 percent but exported 55 percent.

Most Spanish citrus goes to Western Europe, and these shipments are rising as a share of the country's totals. From 70 percent of exports in 1958-59, they grew to 72 percent this past marketing year. West Germany and France are leading buyers among EEC countries, and the United Kingdom is the third largest market. Since 1958-59, sales to Eastern Europe, as a share of the total, have dropped from 8 to 3 percent. (See export table on back cover.)

Higher ocean freight rates in recent years have tended to shift citrus traffic to rail transport, which has improved greatly. Today, rail hauling has increased to two-thirds of total traffic in citrus compared with around 50 percent several years ago.

Spain's competition in overseas markets is expected to increase, as many of its citrus trees are young and not yet in full production. Only 73 percent of orange trees, 53 percent of tangerine, and 74 percent of lemon trees were producing in 1962-63. The number of trees reported on during that year was as follows:

	Full production Thousands	Not in full production Thousands	Not producing Thousands	Total Thousands
Oranges . . .	29,435	5,851	5,130	40,416
Tangerines . .	3,247	1,414	1,511	6,172
Lemons . . .	2,311	234	599	3,104

These figures reflect the rapid rise in citrus acreage taking place in recent years, which, in turn, is closely related to favorable prices. Between 1951-52 and 1962-63, plantings of orange trees increased from 466,500 acres to 650,900, or about 38 percent.

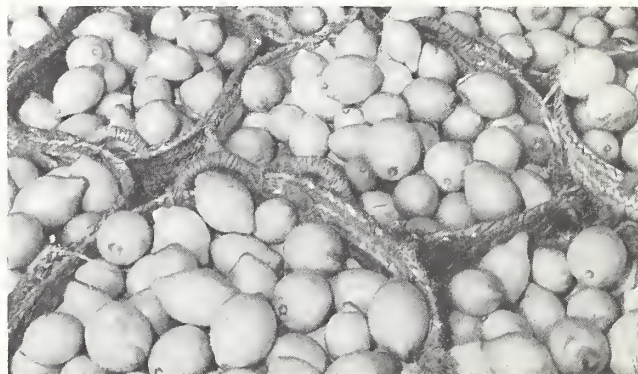
Besides new plantings, other influences may give added impetus to Spanish citrus exports. Citrus quality is high, and grading and marketing techniques are improving. In addition, funds for promotional campaigns are increasing. During the 1962-63 citrus export season, the National Fruit and Vegetable Syndicate spent \$621,850 for advertising, 50 percent of it in EEC countries (excluding Italy), the rest distributed among other Western European countries.

Several unfavorable factors exist, however. While new plantings point to future gains in production, periodic frosts can be expected to damage fruit and trees in most producing areas. Also, the tree-killing virus tristeza is established in some sweet orange districts. Although this disease may not devastate Spanish groves as it did those of Brazil and Argentina, it will still retard production.

—EDWARD QUINONES

Assistant U.S. Agricultural Attaché, Madrid

Below, citrus packing plant. Right, above, lemons from Murcia Province. Right below, young orange trees, typical of large numbers not fully producing.



What the Pan American Highway Means to Agriculture

In the jungles of Panama and Colombia a team of engineers is surveying what is commonly known as the Darien Gap, the last major obstacle to the completion of the Pan American Highway. When this stretch is finally routed and built—possibly 2 to 3 years from now—the Americas will be connected by a 9,000-mile long road beginning at the U.S.-Mexican border and ending in Argentina. In its course it passes through all the countries of Central and South America, connecting their capitals.

The idea of linking the Americas began with the dream of a railroad, first proposed in the 1880's. Before construction could begin a highway was proposed too, and eventually the railway was abandoned in favor of the road.

The actual building started in 1930, and during the next decade phenomenal progress was made. World War II gave further stimulus to the project, and in the years since the various countries have completed their sections until all that remains unfinished is the 450-mile jungle stretch. No longer, though, is it thought of as a single road but as the nucleus of a vast network of over 28,000 miles of alternate highways known as the Pan American Highway System.

Probably those who have benefited the most from this great highway system are Latin America's farmers. Where the highway is the main artery of transportation, "feeder" roads have been built linking it with hitherto inaccessible agricultural lands. Not only have new crops been developed

on these lands and new farm settlements built, but the access roads have enabled farmers to widen their markets and get better prices for their crops. Often the result has been the development of new agricultural industries that contribute materially to the country's foreign earnings.

In Mexico, for example, the citrus industry owes its prosperity to the Pan American Highway, since most of the fruit is produced along the highway south of Monterrey. And in Guatemala, new areas are being opened up that previously were isolated. In the higher areas along the highway wheat is becoming a commercial crop, with transportation to market by truck; and along the easterly section of the highway, toward El Salvador, coffee and sugarcane are now being cultivated extensively.

Within the last 5 years, Panama has also developed a citrus growing and processing industry near Boquete, where a road connects with the highway permitting the fruit to be shipped to Panama City for sale in the Canal Zone, or for export to the Far East and Europe.

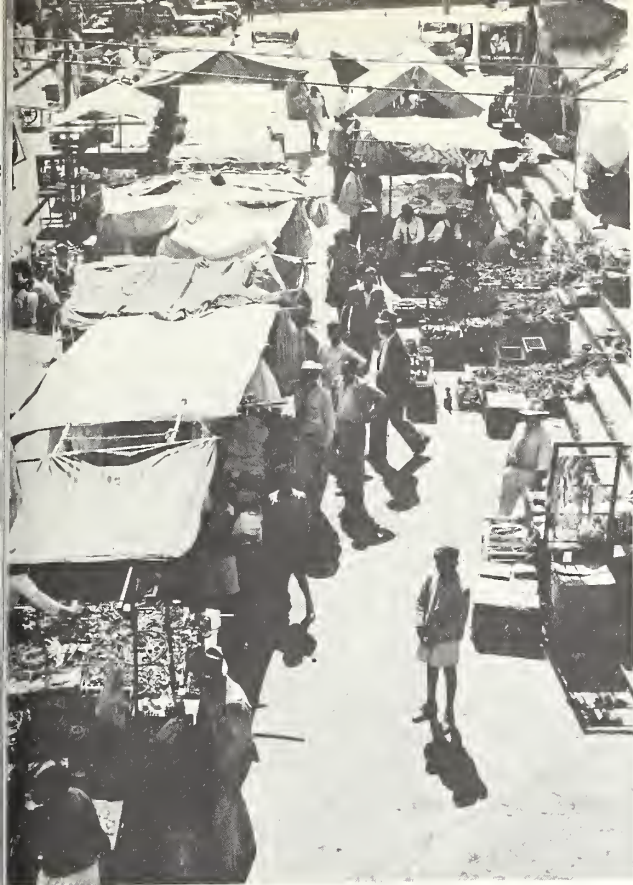
Honduras, whose principal market is densely populated El Salvador, has been handicapped for years by lack of transportation. Whereas previously its fruits and vegetables moved across the border by mule-back, today they are being trucked to market along the highway.

Recently too, Nicaragua has embarked on a large irrigation project adjacent to the highway, to produce bananas for export and rice for domestic consumption.



Left top, sugarcane is hauled to factory along Pan American Highway in Panama, and below, loading cotton bales on truck, Puebla, Mexico. Bottom, switchback curves on the highway as it crosses mountains in Mexico.





Above left, good roads permit farmers to sell their produce in big city markets such as this one in Caracas, Venezuela. Above at right, home of a new settler on a farm in Guatemala. All over Latin America new farm areas are being developed and linked to highway by feeder roads.

Above, farm women in Colombia harvest potatoes on farm land adjacent to highway, and below, building hard-surfaced feeder road in Panama. Pan American Highway System includes thousands of miles of these essential farm-to-market roads.



London Trade Center's 1965 U.S. Food Exhibit To Promote U.S. Fruit and Vegetable Products

Producers and distributors of U.S. fruit and vegetable products are being invited to participate in the 1965 food exhibit at the London Trade Center, February 23 through March 5. This will be the first of two food exhibits to be presented next year at U.S. trade centers overseas by the Grocery Manufacturers of America in cooperation with FAS. The other will be held in Tokyo, March 8-19.

Eligible for display in London are fresh and processed fruits and vegetables, and nuts, other products which principally contain fruits and vegetables, such as soups, pies, and other specialty and convenience items.

The United Kingdom is the biggest customer of the U.S. fruit and vegetable industry and is becoming even bigger. At a record-setting \$52 million, U.S. sales to this important market last year represented more than a twofold increase over the 1958 figure.

Value of Trade Center

Promotion at the London Trade Center provides what many consider to be the most effective and least expensive way to break into the lucrative U.K. import market with new products, as well as a way to further promote U.S. agricultural items which already find a good market in the United Kingdom. At this exhibit center, a U.S. firm can be assured that its products will get maximum exposure to select buyers as a result of pre-show publicity conducted by the Trade Center at no direct cost to the participant. For the firm which does not already have representation or agencies in the United Kingdom, the Center assists in making the right contacts.

More and more U.S. tradesmen are taking advantage of these services. At the recent U.S. Processed Food Exhibit held in London, for example, 107 American commercial firms exhibited—the largest number ever to participate in a USDA-sponsored Trade Center event.

The upcoming 1965 food exhibit at the London Center presents an opportunity to capitalize on brightened sales

prospects for U.S. fruits and vegetables in the United Kingdom. The show is being held at a time when the competitive positions of a number of products are expected to be much improved from what they were this past spring.

Favorable prices for canned U.S. fruit cocktail, resulting from this year's record pack, are expected to spur U.S. fruit cocktail exports to the United Kingdom on to an alltime high. In 1963-64 the United States supplied 891,000 cases, or two-thirds of total U.K. imports.

Competitive U.S. peach prices

Canned U.S. peaches, also with a record 1964 pack, already have a price edge in the United Kingdom over peaches from South Africa and Australia, despite the 12.5-percent duty paid by the United States as a non-Commonwealth supplier. Last year the latter countries held the price advantage. U.S. sales to this market in 1964-65 are expected to be substantially above the 386,000 cases shipped in 1963-64, but probably will not exceed the previous year's 1.1 million cases. In recent years, canned U.S. peaches have accounted for about 25 percent of total U.K. imports of canned peaches.

While it is too early to forecast the competition fresh U.S. apples will meet next spring in the United Kingdom from Southern Hemisphere exporters, sales should be good this fall. Competition at this time of year, normally the big season for U.S. apple shipments, comes mainly from Italy, the Netherlands, and France. During the fall of 1964, however, these countries are expected to export fewer apples to the U.K. market and more to West Germany (world's largest apple importer), which had an exceedingly poor apple harvest in 1964. U.S. apples are in a position to fill the gap in the United Kingdom, and the 1964-65 exports to this market should be at least as great as last year's 1.4 million boxes.

A big U.S. prune pack this year—

the largest since 1957—will combine with favorable U.S. prices to push 1964-65 exports to the United Kingdom well above last year's 6,100 short tons. Though Yugoslavia's pack (chief U.S. competitor) will also be larger, the quality of its prunes is not comparable to that of the U.S. product. In the past, U.S. prunes have had 75 percent of the U.K. market.

The picture for U.S. raisins is somewhat cloudy. The United States has a larger pack of marketable raisins than last year, but so do Australia, Greece, and Turkey—the big three raisin suppliers to the U.K. market. On balance, U.S. exports to the United Kingdom may top last year's 6,345 tons.

The United Kingdom also presents bright prospects for sales of certain fresh and frozen U.S. vegetables and to a less extent, frozen fruit juice concentrates.

Sales opportunities for fresh celery and carrots will be excellent during the February-April period when U.K. stocks are at low levels and imports from nearby countries are practically nil. Though the United Kingdom is not a significant market for fresh U.S. vegetables, last February's successful test shipment of specially packaged U.S. vegetables opened up new possibilities for trade.

Frozen vegetable prospects

Frozen vegetables, like fresh, do not find a big market in the United Kingdom because of severe price competition from well-established products that are processed locally. However, it is believed that some varieties of frozen vegetables may find a ready acceptance. In this category are frozen lima beans—virtually unknown in the United Kingdom where the closest thing to limas are the popular marrow-fat beans.

Frozen U.S. fruit juice concentrates, providing they are competitively priced with single strength juices from countries such as Israel, might also gain with proper promotion.

Firms wishing further information about the fruit and vegetable exhibit at the London Trade Center should address queries to: Grocery Manufacturers of America, Inc., 205 East 42nd Street, New York, New York, 10017. Firms need not be members of G.M.A.

Salesmanship and Servicing Win Export Award For Aggressive, Growing U.S. Poultry Company

The Presidential "E" Export Award recently given Willson International, Ltd., of Miami serves to emphasize the fact that export achievement and its rewards are by no means reserved for large companies, but can be won by the smaller, growing company with what Americans call "get up and go." Here, company president Marlon E. Willson, gives some of the background of his poultry firm's success in the export field.

Our company has, since 1951, exported to Latin America poultry farm supplies manufactured in the United States—poultry breeding stock, commercial chicks, hatching eggs, and poultry farm equipment. Three years ago, we began actively to step up the number of our markets in Central and South America.

Since that time, firm officials have made approximately 46 trips into these areas, where we have contacted thousands of poultrymen, hatcherymen, and feed and farm supply businessmen. We have doubled our volume of sales each year since 1961 and this year expect to exceed the 200,000 mark in pullet chick exports, even though our sales area has been reduced with the growth of production in a number of countries.

It is generally recognized that in poultry genetics, the United States is ahead of all other countries, and in Latin America we have been able to show poultrymen they could obtain approximately 50 percent better results with U.S. breeding stock than with locally bred stock. For example, an average of 130 to 180 eggs per layer per year can be produced with local stock, compared with 250 to 300 eggs per year from U.S.-bred stock.

Willson also offers technical help to Latin poultrymen on modern methods of poultry and egg production, how to organize their farms, and in general, how to produce much more economically than the average poultryman.

We introduced the Heisdorf-Nelson "Nick Chick" Leghorn breeding stock to chick hatcheries in practically every country in Central and South America, as well as poultry equipment made by some 12 different U.S. manufacturers who had not previously been in the export business.

Exporting to Latin America is not without its problems, but these, for the most part, we have been able to solve.

Frequently, the customer was not able to obtain local financing, nor were we large enough to finance all of our sales. A good part of this problem was taken care of through the Foreign Credit Insurance Association.

One of our principal problems has been ocean freight rates. In shipping milling equipment, for example, the ocean freight is approximately 90 percent the f.o.b. value, which has seriously affected our sales. The rates from Europe are much more competitive than ours.

The desire of local, or domestic, producers to increase their own production also presents a problem. This is understandable and was foreseen, so therefore Willson decided to supply only the basic products that could not be obtained locally. By efficient servicing and giving help wherever possible, we were able to maintain our sales.

In addition, we set up our own business office in the Dominican Republic in order to be closer to the Central and

South American markets.

Foreign distribution was a problem for some time, but with the help of credit reports, personal investigations, and surveys of the local markets, we obtained the right distributors.

At one time, we were very much afraid that new legislation might be created that would bar importation of our products. We now believe that as long as we offer products and services that are not available in these countries, we will always have a market.

During the last 4 years, almost every Latin American market has stepped up production of commercial chicks, thus cutting into imports from the United States. We have therefore changed production at our Miami hatchery from commercial chicks to practically all breeding stock and have been able to supply our markets in this way. Up to the present time, there are no markets in the West Indies, Central, and South America that do not permit importation of our breeding stock, except for Uruguay.

In general, Willson feels that the only way we have been able to get the distribution that we have and the increase in our sales volume is through personal visits to Latin America and effective and continuous servicing throughout the entire area.

Japanese Wheat Team Welcomed by U.S. Secretary Murphy



Officials of the Japanese Food Agency—represented here by Kimiji Kameda (l.) shown being greeted by the U.S. Under Secretary of Agriculture Charles S. Murphy—have just completed a month-long inspection tour of the United States' wheat industry sponsored by Western Wheat Associates, Great Plains Wheat, and FAS. The recent reorganization of the Food Agency makes this visit particularly timely. For years Japan has been top buyer of U.S. wheat, and in 1963-64, the United States became Japan's chief supplier of wheat.

Manmade Fibers Become More Competitive with Wool

World use of fibers has expanded in the last 3 years, largely because of sharp gains in consumption of synthetics. Wool, however, has not shared in this increase, its use dropping over the 3-year period owing to high prices.

Use of virgin wool in seven important consuming countries—the United States, the United Kingdom, France, Japan, Belgium, the Netherlands, and Sweden—totaled 381 million pounds in the second quarter of 1964. This was 5 percent less than in the first quarter and 10 percent less than in the second quarter of 1963, pulling wool's share of total fiber consumption down to 57.8 percent from 62 percent in the second quarter of 1963. During that same period, the synthetics' share rose from 14.8 percent to 18.8 percent.

Several factors indicate continued high wool prices in the United States. Retail stores are reporting increased sales of clothing and other woolen items, and there are low inventories. Foreign wool prices have continued high since new season auctions began. New wool supplies in the United States will be limited, as the domestic clip will not be appearing on the market until spring and stocks of foreign wools are small.

CONSUMPTION OF VIRGIN WOOL AND OTHER FIBERS IN SEVEN MAJOR CONSUMING COUNTRIES¹

	Wool	Other natural fibers	Synthetic fibers	Total fibers ²
	Million pounds	Million pounds	Million pounds	Million pounds
Year 1962	1,628	559	355	2,542
1963:				
January-March ---	422	149	97	668
April-June	424	159	101	684
July-September ---	377	137	94	608
October-December	402	148	113	663
Year 1963	1,625	593	405	2,623
1964:				
January-March ---	402	152	124	678
April-June	381	154	124	659
	Percent of total	Percent of total	Percent of total	Percent of total
Year 1962	64.0	22.0	14.0	100.0
1963:				
January-March ---	63.2	22.3	14.5	100.0
April-June	62.0	23.2	14.8	100.0
July-September ---	62.0	22.6	15.4	100.0
October-December	60.6	22.3	17.1	100.0
Year 1963	62.0	22.6	15.4	100.0
1964:				
January-March ---	59.3	22.4	18.3	100.0
April-June	57.8	23.4	18.8	100.0

¹ United States, United Kingdom, France, Japan, Belgium, Netherlands, and Sweden. ² Noils; waste; broken tops; recovered and re-used wool; shoddy or mungo; artificial fibers; hair; cotton and silk. Measured at the carding state.

International Wool Study Group.

U.S. Meat Imports Continue Below 1963

U.S. imports of all red meats in August 1964 declined 24 percent from August 1963. January-August 1964 imports, at 746 million pounds, were off by 19 percent.

Imports of beef and veal during the first 8 months of 1964, at 571 million pounds, were 20 percent below the 1963 level. Imports from Australia were down 12 percent,

New Zealand 23 percent, Mexico 24 percent, and Ireland 61 percent.

U.S. imports of pork in January-August were down slightly from a year earlier, while those of mutton and lamb were off by over 40 percent.

Imports of wool continue well below the 1963 level, reflecting higher world prices and lower mill demand in the United States.

Imports of kip skins were up slightly from the 1963 period. Sheep and lamb skin imports increased moderately, and pigskin imports were over 75 percent higher than in 1963. Imports of all other types of hides and skins were down.

Cattle imports totaled 316,500 head in January-August 1964 compared with 567,000 in the same period of 1963. The smaller trade reflects decreased shipments from both Canada and Mexico.

U.S. IMPORTS OF LIVESTOCK PRODUCTS¹

Commodity	August		January-August	
	1963	1964	1963	1964
Red meats:	1,000	1,000	1,000	1,000
Beef and veal:	pounds	pounds	pounds	pounds
Fresh & frozen, bone-in	1,311	1,573	12,255	9,808
Fresh & frozen, boneless	101,539	75,890	596,495	483,584
Canned, including corned	11,087	6,756	75,063	53,974
Pickled and cured ----	118	29	451	201
Beef sausage -----	---	286	---	3,471
Other beef -----	2,618	1,556	17,969	7,918
Veal, fresh & frozen ---	1,669	1,174	12,100	11,738
Total beef and veal --	118,342	87,264	714,333	570,694
Pork:				
Canned hams & shoulders	9,239	10,332	93,606	91,430
Other pork -----	5,096	5,562	48,132	45,737
Total pork -----	14,335	15,894	141,738	137,167
Mutton and goat -----	3,677	816	50,839	29,660
Lamb -----	1,277	653	13,697	8,059
Total red meat -----	137,631	104,627	920,607	745,580
Variety meats -----	177	37	1,646	883
Wool (clean basis):				
Dutiable -----	5,779	7,579	81,921	62,325
Duty-free -----	15,969	7,142	121,255	76,899
Total wool -----	21,748	14,721	203,176	139,224
	1,000	1,000	1,000	1,000
Hides and skins:	pieces	pieces	pieces	pieces
Cattle -----	31	19	276	235
Calf -----	97	120	579	450
Kip -----	60	101	697	709
Buffalo -----	46	41	410	322
Sheep and lamb -----	1,723	1,803	20,997	23,150
Goat and kid -----	1,346	850	10,163	9,686
Horse -----	39	26	320	278
Pig -----	22	22	632	1,112
	Number	Number	Number	Number
Live cattle ² -----	18,235	10,374	566,972	316,521

¹ Owing to changes in the tariff schedule, statistics for 1963 and 1964 are not completely comparable. ² Includes cattle for breeding.

U.S. Department of Commerce, Bureau of the Census.

Portugal Importing More Meat

In early September the Portuguese National Livestock Board issued bids for imports of 1,000 tons of frozen beef for delivery in December, 1,000 tons for delivery in January, and 500 tons for delivery in the first half of February.

Portuguese purchases of beef and veal under bids issued in January-August 1964 totaled 7.745 metric tons. Most was imported from Argentina, Uruguay, and Australia.

The National Livestock Board purchased 1,500 metric tons of pork in early September for delivery during the following months. Purchases through early September this year have totaled 2,750 metric tons.

Preference in meat sales is given to countries which offer to import Portuguese products, but Portugal would buy from the United States if prices were competitive with other suppliers. Recent imports of beef have been delivered at prices equivalent to \$603 and \$624 per metric ton.

Most Canadian Oilseed Crops Up In 1964

Canada's crops of rapeseed, soybeans, and sunflowerseed increased significantly this year from those of last year, but flaxseed production declined, according to a report of the Dominion Bureau of Statistics. Full realization of these forecasts, based on yields indicated as of September 15, depends on favorable weather for the rest of the harvesting season.

CANADIAN OILSEED ACREAGE, YIELD, AND PRODUCTION

Year	Flaxseed	Rapeseed	Soybeans	Sunflowerseed
ACREAGE				
	1,000 acres	1,000 acres	1,000 acres	1,000 acres
Average 1955-59	2,593	389	245	36
1962	1,445	371	221	36
1963	1,682	478	228	38
1964	1,916	700	231	82
YIELD PER ACRE				
	Bushels	Bushels	Bushels	Pounds
Average 1955-59	8.7	14.2	25.3	545
1962	11.1	15.8	29.9	755
1963	12.6	17.5	21.9	948
1964 ¹	9.9	16.1	28.8	558
PRODUCTION				
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 pounds
Average 1955-59	22,544	5,508	6,187	19,477
1962	16,042	5,860	6,608	17,360
1963	21,116	8,360	5,002	36,038
1964 ¹	18,995	11,256	6,653	46,050

¹ As indicated on the basis of conditions on or about Sept. 15. Dominion Bureau of Statistics, Ottawa.

Flaxseed production, at 19.0 million bushels, is 10 percent less than last year's outturn and one-sixth less than the 1955-59 average. Sown acreage increased 14 percent, but average yields at an estimated 9.9 bushels per acre are almost 3 bushels less than last year's average. All of the decline is reported in Saskatchewan, where persistent drought during the growing season reduced yields.

A record 11.3 million bushels of rapeseed is expected this year, which would exceed production last year by one-third and more than double the 1955-59 average. Acreage increased from 1963 by almost one-half, but the per-acre yield at an estimated 16.1 bushels averaged 1.4 bushels less than that of last year. Sizable increases in output are expected in all producing provinces—Saskatchewan, Alberta, and Manitoba.

Soybean production, entirely in Ontario, is placed at 6.7 million bushels, up one-third from 1963. Acreage increased slightly, and the average yield at an estimated 28.8 bushels is almost 7 bushels above that of last year.

The sunflowerseed crop is expected to reach 46 million pounds, one-fourth above that of 1963. Acreage is more than double that of 1963, but average yields are expected to be 40 percent below last year's.

Philippine Copra and Coconut Oil Exports

Registered shipments of copra and coconut oil from the Philippine Republic during the first 9 months of this year totaled 525,630 long tons (oil basis) a decrease of 6 percent from the 556,515 tons in the comparable period of 1963. Copra exports were down 11 percent while coconut oil exports were up 11 percent.

Exports of copra and coconut oil (oil basis) in September were 25,211 tons greater than in August, and 20,971 tons greater than in September 1963. Actual exports of copra increased sharply in September to 110,013 tons from 64,875 in August, and 82,500 in September 1963. Coconut oil exports in September totaled 17,064 tons as against 20,741 in August, and 13,701 in September 1963.

PHILIPPINE EXPORTS OF COPRA AND COCONUT OIL

Destination	1963 ¹	January-September	
		1963 ¹	1964 ¹
	Long tons	Long tons	Long tons
Copra:			
United States	245,293	192,225	164,101
Europe	623,693	406,715	369,908
South America	16,970	7,000	13,350
Japan	38,977	30,777	18,393
Other Asia	500	---	500
Middle East	3,250	3,250	140
Total	928,693	639,967	566,392
Coconut oil:			
United States	183,648	141,828	134,263
Europe	28,489	5,108	27,543
South Africa, Rep. of	---	---	1,333
Total	212,137	146,936	163,139

¹ Preliminary.

U.S. Exports of Soybeans, Edible Oils, Cakes and Meals

Soybean exports from the United States during August, at 13.7 million bushels, were up 15 percent from the 11.9 million exported in July. Most of the volume moved to Canada and Japan with smaller quantities going to Italy, the Netherlands, and Belgium, (the latter taking 0.6 mil. bu.) Cumulative exports in the 11-month period, October-August, were 4 percent above those of the same period in 1962-63.

August exports of *edible oils* (soybean and cottonseed) totaled 207.4 million pounds—two-fifths above those in July. Exports in the cumulative period were up 6 percent from the 1962-63 level. Of the total, cottonseed oil exports accounted for 35 percent compared with 26 percent a year ago.

Soybean oil exports in August, at 132.1 million pounds, were 4 percent above those of the previous month. Major destinations were Yugoslavia, Pakistan, Iran, and Turkey. (Peru, Syria, and Greece were also large purchasers, taking 13.2 million, 10.5 million, and 6.6 million pounds respectively).

In August *cottonseed oil* exports, at 75.3 million pounds, rose by 54.1 million from those in July. These exports moved largely to Pakistan (26.6 million pounds), Egypt, West Germany, Turkey, and Iran. Cumulative shipments in the 11-month period were two-fifth above those in the same period of 1962-63.

Cake and meal exports in August totaled 190,900 short tons—one-fourth above those in July. However, in the cumulative period through August, exports were 7 percent below a year ago. Soybean meal exports which accounted

for 94 percent of the total were down only 4 percent from 1962-63. Major destinations for soybean meal in August were West Germany, Canada, France, the Netherlands, Belgium, and Spain.

U.S. EXPORTS OF SOYBEANS, EDIBLE OILS, AND OILSEED CAKES AND MEALS

Item	August		October-August	
	1963 ¹	1964 ¹	1962-63 ¹	1963-64 ¹
SOYBEANS				
Japan -----mil. bushels--	3.1	4.6	45.7	42.1
Canada -----do-----	1.9	5.8	25.0	30.0
Germany, W. -----do-----	1.6	.4	21.8	27.3
Netherlands -----do-----	1.2	.8	20.5	21.1
Italy -----do-----	1.3	1.0	11.6	11.4
Others -----do-----	2.7	1.1	48.6	48.2
Total -----do-----	11.8	13.7	173.2	180.1
Oil equiv. -----mil. pounds	129.2	150.9	1,901.4	1,977.0
Meal equiv. -----1,000 tons--	276.5	322.9	4,069.6	4,231.3
EDIBLE OILS				
Soybean:				
Commercial: ²				
Pakistan -----mil. pounds	50.5	18.0	134.4	110.9
Yugoslavia -----do-----	---	25.7	63.7	110.4
Poland -----do-----	---	2.2	---	97.8
Turkey -----do-----	10.4	7.7	64.4	97.5
Iran -----do-----	1.3	13.1	36.3	63.7
Hong Kong -----do-----	2.1	3.3	31.1	46.9
Netherlands -----do-----	---	---	---	40.3
Morocco -----do-----	2.2	6.6	47.8	39.3
Germany, W. -----do-----	---	---	(³)	30.1
Others -----do-----	20.5	55.5	573.0	323.6
Total -----do-----	87.0	132.1	950.7	960.5
Foreign donations ⁴	.9	(⁵)	67.7	.1
Total soybean -----do-----	87.9	132.1	1,018.4	960.6
Cottonseed:				
Commercial: ²				
Germany, West -----mil. pounds--	---	5.6	48.6	102.4
Egypt -----do-----	---	24.7	28.1	77.0
Netherlands -----do-----	---	---	39.9	69.6
Turkey -----do-----	14.3	5.4	37.5	44.5
Poland -----do-----	---	---	---	36.7
Iran -----do-----	(³)	4.8	32.6	31.9
Canada -----do-----	3.1	1.0	28.9	30.9
Others -----do-----	6.3	33.8	116.3	114.2
Total -----do-----	23.7	75.3	331.9	507.2
Foreign donations ⁴	.2	(⁵)	29.4	(³) (⁶)
Total cottonseed -----do-----	23.9	75.3	361.3	507.2
Total oils -----do-----	111.8	207.4	1,379.7	1,467.8
CAKES AND MEALS				
Soybean:				
France -----1,000 tons-----	8.8	28.7	211.9	232.1
Canada -----do-----	21.3	28.9	243.8	185.8
Spain -----do-----	13.1	10.7	191.5	149.3
Germany, W. -----do-----	7.1	34.0	120.8	130.5
Netherlands -----do-----	12.4	18.3	184.4	124.2
Belgium -----do-----	3.4	16.4	97.2	110.0
Denmark -----do-----	2.2	4.1	92.7	83.8
Italy -----do-----	16.0	6.7	97.0	70.6
Yugoslavia -----do-----	---	---	33.4	65.5
Others -----do-----	7.0	20.4	113.8	180.4
Total -----do-----	91.3	168.2	1,386.5	1,332.2
Cottonseed -----do-----	1.8	5.4	76.3	50.0
Linseed -----do-----	8.7	17.3	46.0	36.7
Total cakes and meals ⁷ -----do-----	103.9	190.9	1,520.3	1,419.8

¹ Preliminary. ² Includes Title I, II, and IV of P.L. 480, except soybean and cottonseed oils contained in shortening exported under Title II. Excludes estimates of Title II exports of soybean and cottonseed oil not reported by Census. ³ Less than 50,000 pounds.

⁴ Title III, P.L. 480. ⁵ If any, data not available. ⁶ Incomplete.

⁷ Includes peanut cake and meal and small quantities of other cakes and meals.

Compiled from Census records and USDA estimates.

Note: Countries indicated are ranked according to quantities taken in the cumulative period of the current marketing year. Therefore, monthly data of lesser importance in the cumulative period, in parentheses in the text, are omitted from the table.

U.S. Tobacco Exports Down in August

U.S. exports of unmanufactured tobacco in August 1964, at 28.5 million pounds, were 29 percent smaller than those of August 1963. The export value was \$24.1 million, compared with \$32.3 million last year.

Flue-cured exports totaled 21.3 million pounds—down 32 percent from August 1963. Shipments of burley declined to 3.2 million pounds from 4.6 million, but exports of dark-fired Kentucky-Tennessee, Virginia fire-cured, and Maryland increased.

For the first 8 months of calendar 1964, exports totaled 263.1 million pounds—up 5.9 percent from the 248.4 million shipped out in January-August 1963.

Exports of tobacco products in August 1964 were valued at \$10.5 million, compared with \$12.5 million last August. Exports of cigars and cheroots, cigarettes, and chewing and snuff were down from last year, but those of smoking tobacco in packages and in bulk were larger. Total value of tobacco product exports in the first 8 months of calendar 1964, was up 1 percent to \$80.7 million.

U.S. EXPORTS OF UNMANUFACTURED TOBACCO (Export weight)

Kind	August		January-August		Percent change from 1963
	1963	1964	1963	1964	
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	Percent
Flue-cured -----	31,218	21,301	187,073	198,609	+ 6.2
Burley -----	4,645	3,211	29,552	28,616	- 3.2
Dark-fired Ky.-Tenn. -----	1,210	1,277	9,424	10,514	+ 11.6
Va. fire-cured ¹ -----	250	604	3,137	3,272	+ 4.3
Maryland -----	314	872	6,327	6,467	+ 2.2
Green River -----	32	39	498	562	+ 12.9
One Sucker -----	19	60	157	116	- 26.1
Black Fat, etc. -----	338	262	2,913	2,133	- 26.8
Cigar wrapper -----	258	510	3,057	4,157	+ 36.0
Cigar binder -----	86	74	647	1,167	+ 80.4
Cigar filler -----	20	45	189	394	+108.5
Other -----	1,643	267	5,472	7,043	+ 28.7
Total -----	40,033	28,522	248,446	263,050	+ 5.9
	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Percent
Declared value -----	32.3	24.1	190.1	201.2	+ 5.8

¹ Includes sun-cured.
Bureau of the Census.

U.S. EXPORTS OF TOBACCO PRODUCTS

Product	August		January-August		Percent change from 1963
	1963	1964	1963	1964	
Cigars and cheroots					
1,000 pieces -----	4,076	3,656	22,385	28,231	+ 26.1
Cigarettes					
Million pieces -----	2,448	1,990	15,818	15,588	- 1.5
Chewing and snuff					
1,000 pounds -----	52	49	381	260	- 31.8
Smoking tobacco in pkgs.					
1,000 pounds -----	87	92	561	938	+ 67.2
Smoking tobacco in bulk					
1,000 pounds -----	967	1,065	6,968	6,642	- 4.7
Total declared value					
Million dollars -----	12.5	10.5	79.9	80.7	+ 1.0

Bureau of the Census.

Ontario's Flue-cured Auctions To Open Soon

The opening date for marketing of the 1964 flue-cured tobacco crop in Ontario, Canada, is October 29, 1 week later than previously planned.

The Ontario Flue-cured Tobacco Marketing Board had previously set a target date of October 22, but postponed it at the request of the buying companies because processing plants would not be ready at that time.

Vest German Tobacco Imports

West Germany's duty-paid imports of unmanufactured tobacco during the first 6 months of 1964 totaled 121.9 million pounds, compared with 120.0 million in the first half of 1963. Larger imports this year from the United States, Greece, Bulgaria, the Rhodesias-Nyasaland, Brazil, and Japan more than offset declines in purchases of leaf from Turkey, Italy, Indonesia, the Philippines, and Poland.

The United States was the major source of West Germany's tobacco imports, supplying 38.4 million pounds, or 31.5 percent of the total, as compared with 35.4 million pounds, or 29.5 percent of the total, in 1963. Other major suppliers included Greece 19.9 million pounds, Bulgaria 9.2 million, the Rhodesias-Nyasaland 8.7 million, and Brazil 7.1 million.

WEST GERMANY'S TOBACCO IMPORTS

Origin	January-June	
	1963	1964
	1,000 pounds	1,000 pounds
United States -----	35,379	38,382
Greece -----	19,361	19,898
Bulgaria -----	6,898	9,185
Rhodesias-Nyasaland -----	7,400	8,695
Brazil -----	3,944	7,121
Japan -----	4,437	6,581
Turkey -----	9,265	5,347
Italy -----	6,810	3,643
Dominican Republic -----	2,648	3,588
Canada -----	2,517	3,248
Indonesia -----	3,280	2,779
Paraguay -----	817	2,056
Colombia -----	1,938	2,044
Philippines -----	2,391	1,486
Poland -----	3,032	729
Others -----	9,834	7,147
Total -----	119,951	121,929

United Kingdom's Trade in Canned Milk

Exports of evaporated whole milk from the United Kingdom totaled 20 million pounds in the first 6 months of 1964, and were 4 percent higher than in the comparable period of 1963.

Shipments to Malaysia, the principal destination, were up 4 percent to 4 million pounds, and those to Malta increased 31 percent to more than 2 million. Combined purchases by African nations, at more than 3 million pounds, were 41 percent larger than a year ago. Of this quantity, Ghana took about 2 million pounds. There was a slight increase in trade with the British West Indies.

Condensed whole milk exports declined 17 percent to 8 million pounds. Malaysia, the heaviest purchaser, reduced its takings by 3 percent to 16 million pounds. Sales to Trinidad were only 134,000 pounds, compared with more than 1 million a year ago. No shipments were made to Burma during January-June 1964, compared with 2 million last year.

U.S. Cotton Imports in August Down Sharply

U.S. imports of cotton for consumption totaled 49,000 bales (480 lb. net) in August, the first month of the 1964-65 quota year for long staple growths. Imports amounted to 2,000 bales in July and 79,000 in August 1963.

Practically all of the cotton imported during August entered under the 1964-65 global quota on long staple

cotton (1½ inches and longer), most of which came from Egypt. There were small entries of short, harsh Asiatic cotton, which is not subject to quota. The quota for extra long staple (1¾ inches and longer), totaling about 82,500 bales, was completely filled in the first few days of the current quota year.

U.S. IMPORTS OF COTTON (Bales of 480 pounds net)

Origin	Year beginning August 1					
	Average		1962	1963	August	
	1935-39	1950-54			1963	1964
	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales
Brazil -----	3	(¹)	2	1	0	0
Burma -----	(²)	(¹)	3	2	0	0
China, Mainland ³ ---	25	0	0	0	0	0
India -----	² 67	29	13	15	1	1
Mexico -----	23	15	30	25	(¹)	0
Pakistan -----	(²)	8	5	7	1	(¹)
Peru -----	1	13	23	34	32	5
Sudan -----	(⁴)	2	3	5	1	2
UAR (Egypt) -----	63	83	58	46	45	41
USSR -----	2	(¹)	0	0	0	0
Other countries -----	1	2	(¹)	0	0	0
Total ⁵ -----	185	152	⁶ 137	135	⁷ 79	49

¹ Less than 500 bales. ² Burma and Pakistan included with India. ³ Includes Taiwan (Formosa) prior to January 1, 1953. ⁴ Included with Egypt prior to 1942. ⁵ Includes small quantities that are re-exported each year. ⁶ Does not include picker lap imports reported by the Bureau of Census as raw cotton. ⁷ Does not total due to rounding.

Compiled from Bureau of Census records.

Zanzibar Clove Production Up

Clove production in Zanzibar, including Pemba, during the July-June 1963-64 season totaled 44.5 million pounds, more than three times the 1962-63 harvest of 12.9 million. The 1962-63 crop was an "off year" in the clove production cycle; however, the 1963-64 outturn exceeded the "on year" 1961-62 crop of 33.4 million pounds.

Exports of cloves during the 1963-64 crop year amounted to 23 million pounds, compared with 16.2 million in the previous season. Indonesia was the largest buyer, taking 8.8 million pounds. Other significant recipients were Malaysia 2.9 million pounds, Pakistan 2.1 million, and India 1.7 million. Large purchases have been made by the USSR (1.1 million pounds) and Mainland China (0.8 million) but most of this trade was under barter arrangements.

Tanganyika Establishes Sugar Board

The United Republic of Tanganyika and Zanzibar has established a National Sugar Board, which had its first meeting in Dar es Salaam on September 26.

The Board is part of the marketing structure being established by the government to regulate the marketing and distribution of the country's agricultural products. It will regulate the distribution of sugar within the country through the government-sponsored firm Intrata which will act as agent for the board.

Assurances have been given by the government that it does not intend to alter its policy toward private companies investing in the industry.

Tanganyika has increased its sugar production greatly in the past few years and now produces about 60,000 short tons (raw value) per year. This amount is approximately equal to consumption requirements.

OFFICIAL BUSINESS

To change your address or stop mailing,
tear off this sheet and send to Foreign
Agricultural Service, U.S. Dept. of Agriculture,
Rm. 5918, Washington, D.C. 20250.

SPAIN'S CITRUS EXPORTS BY COUNTRY OF DESTINATION NOVEMBER 1 - OCTOBER 31 CROP YEAR, 1948, 1960-63

Area	Lemons				Grapefruit ¹			Oranges			
	1948-49	1961-62	1962-63	1963-64 ²	1961-62	1962-63	1963-64 ²	1948-49	1961-62	1962-63	1963-64 ²
	1,000 metric tons	1,000 metric tons	1,000 metric tons	1,000 metric tons	Metric tons	Metric tons	Metric tons	1,000 metric tons	1,000 metric tons	1,000 metric tons	1,000 metric tons
EEC countries:											
Belgium-Lux. -----	(³)	(³)	(³)	(³)	142	51	77	36	87	54	86
France -----	4	14	9	12	198	70	197	125	181	78	270
Germany, West -----	1	14	3	14	739	1,021	932	17	420	233	396
Netherlands -----	1	(³)	(³)	(³)	105	5	30	25	111	58	105
Total -----	6	28	12	26	1,184	1,147	1,236	203	799	423	857
Other Western Europe:											
Austria -----	—	(³)	(³)	(³)	79	36	30	(³)	9	4	6
Denmark -----	2	(³)	(³)	(³)	19	12	13	9	17	11	16
Finland -----	(³)	—	—	—	—	—	—	4	4	1	4
Ireland -----	—	(³)	(³)	(³)	5	3	13	2	4	2	4
Norway -----	(³)	(³)	—	—	1	—	—	7	25	15	24
Sweden -----	2	(³)	(³)	(³)	6	118	—	28	45	22	46
Switzerland -----	7	1	(³)	2	198	115	226	11	29	14	63
United Kingdom ---	4	(³)	(³)	(³)	732	498	690	108	127	68	123
Total -----	15	1	1	2	1,040	782	972	169	261	137	286
Eastern Europe:											
Czechoslovakia -----	—	3	—	4	—	—	—	—	3	2	3
Germany, East -----	—	5	1	2	—	—	—	—	7	12	9
Poland -----	—	5	2	—	—	—	—	—	3	3	2
USSR -----	—	—	—	—	—	—	—	—	—	—	22
Yugoslavia -----	—	1	—	—	—	—	—	—	3	—	—
Others -----	—	—	—	—	—	—	—	—	2	—	1
Total -----	—	14	3	6	—	—	—	—	18	17	37
Other markets -----	1	—	—	—	—	—	—	6	3	6	2
Total all markets --	22	43	16	34	2,224	1,929	2,208	378	1,081	583	1,182

¹ Before 1953, not separately listed. ² As of July 5, 1964. ³ Less than 50.
National Fruit and Vegetable Syndicate.

WORLD CROPS AND MARKETS INDEX

COTTON

15 U.S. Cotton Imports in August Down Sharply

DAIRY AND POULTRY PRODUCTS

15 United Kingdom's Trade in Canned Milk

FATS, OILSEEDS, AND OILS

13 Most Canadian Oilseed Crops Up In 1964
13 Philippines Copra and Coconut Oil Exports
13 U.S. Exports of Soybeans, Edible Oils, Cakes, Meals

LIVESTOCK AND MEAT PRODUCTS

12 Manmade Fibers Become More Competitive
With Wool
12 U.S. Meat Imports Continue Below 1963
12 Portugal Importing More Meat

SUGAR, FIBERS, AND TROPICAL PRODUCTS

15 Zanzibar Clove Production Up
15 Tanganyika Establishes Sugar Board

TOBACCO

14 U.S. Tobacco Exports Down in August
14 Ontario's Flue-cured Auctions To Open Soon
15 West German Tobacco Imports